



COMMUNITY DEVELOPMENT DEPARTMENT
PLANNING DIVISION

December 12, 2018

City of San Jose
Department of Planning, Building and Code Enforcement
Attn: Rosalynn Hughey, Director
200 E. Santa Clara St, 3rd Floor Tower
San Jose, CA 95113-1905

Re: Draft General Plan Amendments and Downtown Strategy 2040

Dear Ms. Hughey:

The City of Cupertino would like to offer the following comments regarding the proposed Downtown Strategy 2040 and related General Plan policy amendments. It is encouraging to see that the City of San Jose is proposing to continue to maintain a healthy jobs to housing ratio in the City with the proposed General Plan amendments. However, there are two main concerns that the City of Cupertino has with regard to the proposed amendments as follows:

1. *Proposed Employment Priority Area (EPA) Overlay Designation.* The proposed EPA Overlay in Downtown has a very high threshold for allowing housing development. The Planning Commission Staff Memorandum dated November 28, 2018, indicates that a development must include a minimum Floor Area Ratio of 4.0 for commercial (job-generating) uses, prior to allowing residential uses near the planned Downtown BART station on East Santa Clara Street. Doing so would be contrary to existing General Plan policy LU-10 which discusses meeting "...the housing needs of existing and future residents by fully and efficiently utilizing lands planned for residential and mixed-use and by maximizing housing opportunities in locations within half mile of transit with good access to employment areas, neighborhood services and public facilities."

By encouraging limiting the area within ten city blocks of a transit station to employment uses alone, the City will perpetuate underutilization of the transit system. People would be discouraged from using the BART station during early or late hours in the day since the area might be deserted and appear unsafe. The

memo acknowledges that San Jose is a net exporter of workers regionally; allowing residents easy access to public transit as an alternative will help achieve regional GHG goals. By placing a higher burden on housing development close to the regionally funded BART station, the City of San Jose is discouraging its optimal use.

2. *Housing Reduction in Planned Growth Areas and Transit Access.* The General Plan amendments propose to reduce planned housing in several Planned Growth Areas, including Urban Villages with easy access to existing fixed route public transit. For e.g. 700 housing units are being reduced from VR23 (E. Capitol Expy/Silver Creek Rd) and C34 (Tully Rd/S. King Rd), which are in close proximity to the Alum Rock Light Rail station. Over 100 units are being reduced from C37 (Santa Teresa Bl/Bernal Rd) which is in close proximity to the Santa Teresa Light Rail station.

While there is an approximately 247 unit housing reduction in C43 (S. De Anza Boulevard), it should be noted that existing available public transit is of much lower quality (bus lines) than that available in VR23, C34 or C37 (fixed route light rail). Additionally, the future of Bus Rapid Transit (BRT) along Stevens Creek is tenuous and unknown; however, there has been no reduction in the number of housing units allocated to CR32 (Stevens Creek Boulevard.) The City of San Jose should consider the quality of available public transit and reevaluate the proposed housing transfers.

Finally, it appears that the “*Planned Job Capacity and Housing Growth Areas by Horizon*” table has been updated to move development in many Growth Areas to Horizon 1. While it is conceivable that this is done to reflect existing adopted Urban Village and other area plans, there does not appear to have been a discussion related to this in the staff memorandum.

Thank you for considering Cupertino’s comments on this project and we hope that the City of San Jose will consider making changes to the Downtown Strategy 2040 and the proposed General Plan amendments based on these comments.

Regards

Piu Ghosh
Principal Planner

CC: Aarti Shrivastava, Assistant City Manager
Benjamin Fu, Assistant Director of Community Development

BERG & BERG DEVELOPERS, INC.

Mayor Sam Liccardo & Council Members

City of San Jose

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Dear Council Members & Mayor,

**Reference: Agenda December 18th, 2018
Item 10.2**

**Subject: Objection To 10,000 Jobs Transfer From Coyote To Downtown
Actions Related To The Downtown Strategy 2040**

We object to the proposed jobs transfer from Coyote to Downtown for the following reasons:

Coyote Urban Reserve

For years now the council and planning have advocated locating jobs in Coyote and for good reason. It offers excellent freeway access. In fact it has the best freeway access in all of San Jose being merely 0.3 of a mile from the Bailey and Hwy 101 off ramp to the industrial area, 0.33 mile to the intersection of Bailey/Monterrey, 0.9 miles to Bailey/Santa Teresa and only two stop lights to contend with. In addition hundreds of millions were expended on the Bailey and Hwy 101 interchange to facilitate development of the area. Now you are proposing to move 10,000 jobs from Coyote to Downtown.

Why are you not proposing to move the jobs at Evergreen to downtown? After all the jobs at Evergreen are phantom jobs.

Evergreen Campus Industrial

Berg and Berg is the largest land owner in the Campus Industrial Area, one of the largest enthusiastic industrial developers in Silicon Valley. In spite of intense marketing by the principal of Berg and Berg during the boom years of 2000; and since, Mr. Berg could not develop any interest from any firm that was willing to commit to a campus; or even a single building in the Evergreen Campus Industrial area. During that same year 2000 time period Berg and Berg developed three campus developments of 400,000 sf or more, Microsoft in Mountain View, Ciena at Silver Creek Valley Road/Hellyer, and the Piercy Business Park at Optical Ct/Piercy Road in San Jose.

The developed sites had one thing in common that Evergreen Campus Industrial does not have that business demands, and that is suitable close proximity access to freeways for business operations.

Evergreen is a great site for residential but not for industrial. I don't think that neither the staff nor the council can drive out to the end of Fowler or Aborn before the roads start up the hills, look around and honestly say that the land should be developed for anything other than residential. If the City was honest they would tell their citizens that that industrial development of the vacant lands at Evergreen would result in 38,000 total daily trips and 6000 peak trips versus 16,000; or less, total daily residential trips and 1600 residential peak trips. Residential would be less than 40% of total industrial trips and LESS THAN 25% OF INDUSTRIAL PEAK TRIPS PERDAY. THINK ABOUT IT. In addition the theoretical outbound industrial AM peak trips are slightly higher than the outbound AM peak residential trips so residential would have less of an impact than is already planned for industrial. Further industrial development has no obligation for traffic mitigation, it's entitled. Evergreen Campus industrial is 3.63 miles from the nearest freeway off ramp and many many stoplights in, that is why industry has not wanted to, nor wants to locate there. Everyone says Campus industrial would be a reverse commute but when the traffic hits the local intersections there is no reverse commute, all of that additional incoming traffic has to clear before the outgoing traffic can proceed.

More importantly, for 38 years the City has failed to be honest with its citizens and has failed to be honest with themselves in regards to development policy in Evergreen:

- a. The City has denied themselves the tax benefits that would have flowed to the City had they let Evergreen be developed as residential.**
- b. The City has denied the citizens and potential citizens of quality housing, acerbating the housing crisis.**
- c. The City has denied the business community of the economic benefit effect that would have flowed from residential development versus continued non development of Evergreen.**
- d. FOR 38 YEARS, THE City has been misguided at best, negligent, arbitrary, capricious, ignorant of the siting requirements of business AT THE WORST, worst has been the policy the City has been, and is pursuing.**
- e. And if the above actions haven't been bad enough the City is now going to pull 10,000 industrial jobs out of Coyote one of the best industrially sited areas into downtown instead of taking the jobs out of Evergreen and letting Evergreen go residential without the draconian housing measures established by the City's misguided, negligent, arbitrary and capricious, Measure C.**

It's time for the City to acknowledge their wrong and failed Evergreen policy and reverse it, what better time than now.

Thank you,

Myron Crawford

Coyote

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If you are having trouble viewing the following map, see the [Land Use Zoning Map](#) at full screen.

Zoning Abbrev: A(PD)
PD Use: Ind
File Number: 99053

Map Satellite

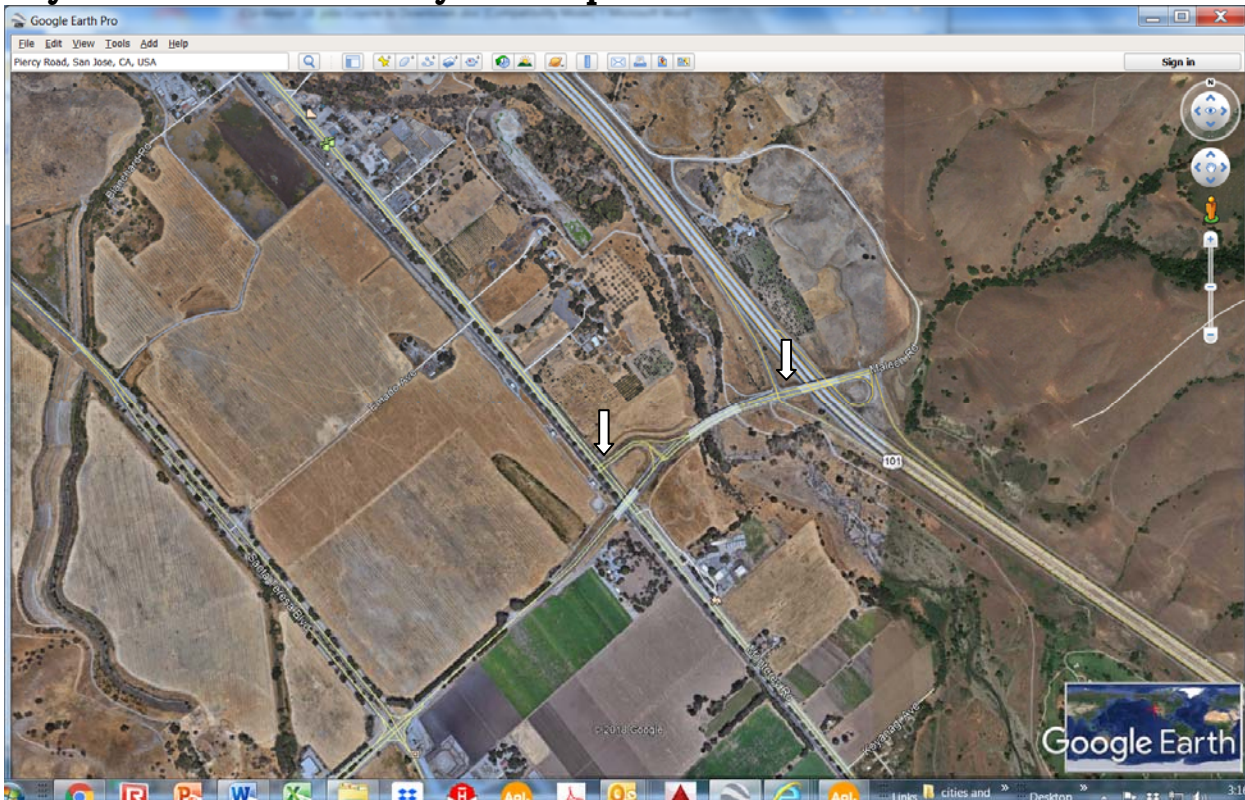
Map data ©2018 Google Terms of Use Report a map error

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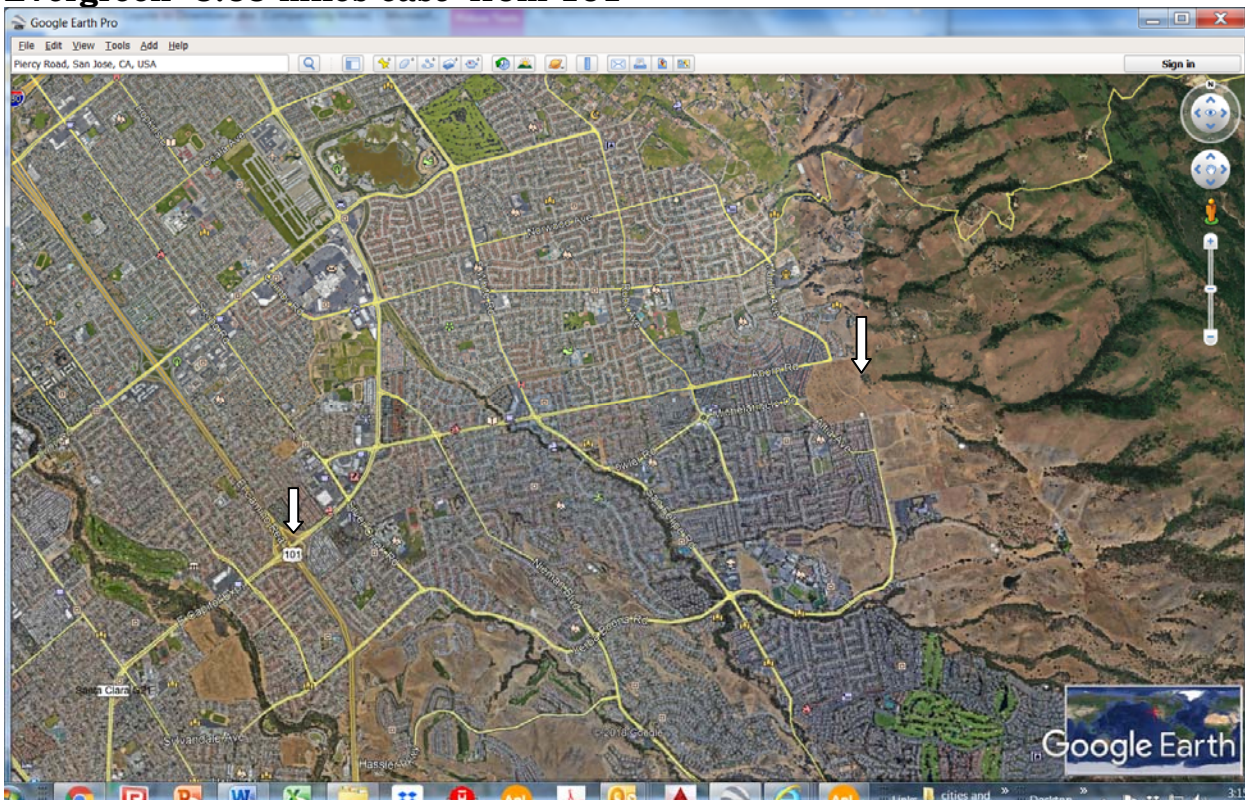
The City of San José is committed to open and honest government and strives to consistently meet the community's expectations by providing excellent service, in a positive and timely manner, and in the full view of the public.

CITY OF SAN JOSE

Coyote 0.3 miles to Bailey off ramp



Evergreen 3.63 miles east from 101





SIERRA CLUB
LOMA PRIETA

Sierra Club Loma Prieta Chapter
Serving San Mateo, Santa Clara and San Benito Counties
Protecting Our Planet Since 1933

December 17, 2018

City of San Jose Mayor and City Council
[sent via email]

Subject: December 18, 2018 Item 10.2, Proposed Downtown Strategy 2040 and related City-initiated General Plan Amendments

Dear Mayor Liccardo and Council Members,

The Sierra Club Loma Prieta Chapter is pleased the Planning Commission requested the stronger language regarding riparian corridor protection in the Second Amendment to the EIR for the Downtown Strategy 2040. We encourage you to read our letter to the Planning Commission that is included in the Commission's memo to the Council.

With the Downtown Strategy and the Google development we believe the City of San José has the opportunity to not only protect the special habitats the Los Gatos Creek and the Guadalupe River provide for downtown, but to enhance them as properties are redeveloped. San José could have something very unique in our downtown – the San José Nature Walk. Create an oasis in the city rather than another river walk crowded with high-intensity uses. Other cities don't have this!

The 10-acre parcel on Ryland Street that will be changed to Downtown land use designations is an important opportunity to enhance the riparian corridor. The airport land use restrictions that would generally apply to this parcel require 20% open space since it is within the outer safety zone for San José International Airport. Ideally, most of this open space would be located in the riparian corridor, adding 100 feet of riparian and native plantings to enhance the Nature Walk.

However, we know that exceptions can be made to reduce the 100-foot setback guideline in the Riparian Corridor Protection Policy, and we're concerned that major development can now move forward on this 10-acre parcel with no further public outreach or Council hearing. The current zoning, Industrial Park, allows hotel and office uses and the Downtown Strategy 2040 EIR could be used to cover CEQA for the project, resulting in little or no public review.

Therefore, we support recommendation 4 in Council Member Peralez's memo asking for public review and public meetings about the project that appears to be moving forward on this parcel. A meeting about conceptual designs should take place in the near future to get early input from the community. We also request that you invite all the environmental stakeholders to these meetings

due to the importance of the Guadalupe River. This includes the Santa Clara Valley Water District, the Guadalupe Coyote Resource Conservation District, the Guadalupe River Park Conservancy, and of course the Sierra Club.

The Mayor, Council and staff have the greatest ability to influence the developer's proposal before it comes to the public. So please consider the importance of the precious little nature we have in our City and take the habitat into account as this project and other riverfront downtown projects are presented.

Sincerely,

Katja Irvin
Conservation Committee Co-Chair
Sierra Club Loma Prieta Chapter

WORKING PARTNERSHIPS USA

12/18/2018

Mayor Sam Liccardo and Members of the City Council
City of San Jose
200 East Santa Clara St., 3rd Floor
San Jose, CA 95113

Dear Mayor Liccardo and Councilmembers,

Subject: GP17-010/GPT17-002/PP15-102 - Proposed Downtown Strategy 2040 and related City-initiated General Plan Amendments.

On behalf of Working Partnerships USA, I would like to share the following comments and suggestions about the Downtown 2040 Strategy and specifically to recommend that the City Council directs staff to accounts for the value of this legislative change to Google's future development within the Google Development Agreement's Community Benefits Plan.

On October 22nd, 2018 Working Partnerships USA submitted a letter (see attached) expressing concerns that the Downtown 2040 Strategy ("the Strategy") did not take adequate steps to address the unmitigated development and environmental impacts that adding 3 million square feet of office space downtown would have on rising housing costs, residential displacement, traffic and traffic related air quality, particularly when it comes to accounting for the thousands of low wage service workers likely to work within the operations of these new offices. Service worker wages have remained stagnant in San Jose as housing costs continue to climb, creating pressure for many to move to the Central Valley in search of more affordable housing and generating even more vehicle miles traveled and environmental impact. While the City has taken steps towards a commercial linkage fee which could help mitigate some of these impacts, more can and should be done within our planning to ensure future development and plans address environmental impact of such displacement.

Furthermore, we raised concern about how the planning amendments and the approval of an environmental impact review for the Strategy would benefit Google's future development without a transparent, public discussion of the relationship between the Strategy and Google's prospective plans. The City of San Jose's vote on December 4th to enter into a Memorandum of Understanding with Google laid out the process for future planning amendments and environmental reviews in relation to Google's forthcoming development application. With the Council planning to consider the Downtown 2040 Strategy as a consent calendar item, where Google's name is not even mentioned in the memorandum, raises additional questions about transparency on planning changes related to the Google project.

During that December 4th Council vote, the staff and Council expressed a commitment to a transparent and public process to consider the environmental impacts and any future General Plan amendments regarding Google's future development. The staff memo also stated, "The City anticipates that all the necessary planning, design, and regulatory plans and policies necessary for Google's master plan project approval (including the Development Agreement) will be presented together for Planning Commission review and recommendation, and then for City Council consideration." Now, just two weeks after approving this memo, General Plan amendments and the approval of an EIR are being considered without adequate noticing or debate about the impact of these decisions on Google's future plans.

The Strategy included General Plan amendments and an environmental impact review detailing program and project level impacts, which the Strategy explicitly states are relevant to Google's presumed future project. Surprisingly, Google and the Google Transit Village are referenced 24 different times within the Strategy's Draft EIR. The Strategy provides a number of benefits to a future Google plan:

- By making amendments to the Envision San Jose 2040 General Plan adding commercial office growth to the Downtown Area, which includes most of the land where Google has acquired property to date and will likely develop its future campus, Google may no longer need to seek such amendments within its own Development Application.
- Approving a program-level EIR benefits future developments by analyzing likely environmental impacts from different types of development within existing land use within a geographic area, providing a baseline of environmental impact that is already mitigated and approved under the California Environmental Quality Act. An approved program-level EIR makes the CEQA process less onerous for future developments in terms of environmental impact already be accounted for within program level analysis. While the Strategy is clear that projects within the area will need to conduct their own EIRs, projects like Google's will benefit from being able to "tier" off the Strategy's initial impact analysis, potentially requiring their own plan to mitigate fewer impacts and making their CEQA process that much easier. Having greater certainty and fewer impacts to address in the CEQA process provides a direct financial benefit to a developer through a potentially less lengthy and less contentious environmental review process in the future, allowing developments to move forward more quickly. Some specific ways in which this EIR likely overlaps with the future Google project include:
 - The EIR includes an alternative for "Intensification of West of SR 87" citing that "Google is considering proposing a transit oriented development project (commonly referred to as the Google Village Project) in the DSAP area" as rationale for reviewing an alternative which would add an additional 1.2 million square feet of commercial growth capacity to areas that overlap with Google's recently acquired property. Google's future EIR will almost certainly tier off this specific scenario, including its traffic analysis.
 - In addition to program level review of a broad range of impacts, the Strategy accounts for project-level impacts of traffic and traffic-related air quality and noise impacts of Downtown development projects. The EIR is clear that the future Google project would see similar impacts in relation to traffic-related air quality and noise impacts as those reviewed in the Strategy.

Additionally, we find the timing of the development of these planning amendments to transfer growth within the General Plan from Coyote Valley to Downtown (which now includes Diridon Station Area¹) raises further questions. The original Notice of Preparation for the Strategy was posted October 6, 2015 and did not include additional commercial office or residential growth Downtown. It was not until after the City began secret negotiations with Google, which included 18 City officials signing Non-Disclosure Agreements (NDAs) with the company, including former Director of Planning Harry Freitas signing his NDA on February 9, 2017, that a proposal to add growth to Downtown above what was include in the Envision San Jose 2040 Plan emerged.

We now know, as the EIR states, that Google intends to build a 6—8 million square foot commercial, mixed-use development within a roughly 50 acre footprint in and around the Diridon Station Area. The Diridon Station Area Plan only plans for 5 million square feet of total office development across its entire 240 acre area, most of which

¹ On November 28, 2017 the City Council approved adding the Diridon Station Area to the Downtown Growth Area under the General Plan.

is contained within the planning area of the Strategy. The Planning Department amended the Notice of Preparation for the Strategy on March 10, 2017 adding 3 million square feet of additional commercial office development to Downtown, and later referenced within its EIR, circulated on September 7, 2018, Google's intentions for development as emblematic of growing office demand Downtown. These decisions, and the City's failure to release correspondence between Planning Department and Google before or after these NDAs were signed, raises questions on the relationship between this policy's development and the City's private negotiations with Google.²

Setting aside questions on transparency on how Google's negotiations with the City of San Jose and the development of this policy intersect, it seems clear that Google's future proposed development process will likely benefit from any legislative decision to approve the Strategy's General Plan amendments and its environmental impact review. If the City Council chooses to approve the Strategy, it should direct staff to ensure it accounts for the value of this legislative change to Google's future development within the Google Development Agreement's Community Benefits Plan.

The City's MOU with Google stated, "The City's expectation of a community benefit contribution would be premised on, among other factors, the additional value Google receives as a result of the legislative changes that may be approved by the City Council that enhance the value of both the City Properties and the Google Properties..." It is important for the City Council to ensure staff includes the full range of public policy decisions made to benefit Google within this value capture analysis in order to negotiate a community benefits package that both reflects the full benefit Google's development will receive from public decisions and investments and to ensure enough resources to mitigate the project's future impact on our working families. Decisions that clearly benefit Google need to be included in this analysis, and staff should be keeping track of these items as the development process continues.

Furthermore, we encourage the City Council to direct Google to account for displacement impacts identified in Working Partnerships USA's October 22, 2018 letter in any future project-level EIR conducted towards its proposed Development Agreement. Tech development's reliance on low wage service subcontractors and tech-driven growth will create large numbers of low wage workers who in turn are likely to feel displacement pressures. Google's future plan and its EIR should account for these factors.

Sincerely,

Jeffrey Buchanan

Director of Public Policy
Working Partnerships USA

² The City has failed to turn over documents, including correspondence between Planning Department and Google, in a timely fashion, and to respond with the legally required determination(s), to California Public Records Act requests by both the First Amendment Coalition and Working Partnerships USA over the course of 2018, as set forth in the Verified Petition for Writ of Mandate filed by FAC and WPUSA in Santa Clara County Superior Court on November 9, 2018 (*First Amendment Coalition et al v. San Jose*, Santa Clara Superior Court Case No. 18cv338053)

WORKING PARTNERSHIPS USA

10/22/2018

Department of Planning, Building, and Code Enforcement
ATTN: Jenny Nausbaum
200 East Santa Clara St., 3rd Floor
San Jose, CA 95113

Dear Ms. Nausbaum,

Subject: Draft Environmental Impact Report (EIR) for the Downtown Strategy 2040

The following comments on the Draft EIR for Downtown Strategy 2040 (“the Strategy”) are submitted on behalf of Working Partnerships USA, a community organization bringing together the power of grassroots organizing and public policy innovation to drive the movement for a just economy in Silicon Valley by tackling the root causes of inequality and poverty.

Tech companies like Google, Adobe and others planning to expand in downtown San Jose and other such firms the City hopes to attract to new commercial office space depend on the work of many thousands of cafeteria workers, janitors, security guards, shuttle drivers, groundskeepers, laundry attendants, massage therapists, and other service workers. According to a study by the Bay Area Council Economic Institute, the tech industry generates approximately 4.3 jobs in local goods and services for each additional direct tech job, and has the largest jobs multiplier of any industry.¹ This means that for every new direct tech job in Downtown San Jose, four service jobs are created such as food service employees, janitors, ride-share drivers, and nurses. We want to ensure that the perspectives of the thousands of tech service workers likely to be working in Downtown San Jose are accounted for in this development process, as proposed project’s like Google’s 8 million square foot Google Village, referred to numerous time in this document, move forward. Tech service workers working in the millions of additional square feet of commercial office space proposed to be added under this plan also stand to be impacted by this plan as local employees, commuters, and residents. We believe that the Downtown Strategy 2040 can be improved to achieve superior environmental impact mitigation through increased trip internalization, creating neighborhoods which are more inclusive and diverse, better mitigating the impacts of traffic and air quality hazards.

While we appreciate the plan’s efforts to address the City’s fiscal issues, we remain concerned that adding either 3 or 4.2 square feet of additional office space downtown adding X workers in the strategy or listed alternatives while only adding 4,000 units of additional housing Downtown for new workers, without assurances of how much of that housing will be affordable to growing numbers of low wage service workers, will only lead to additional growth-induced impacts. It is troubling that the EIR did not examine any alternatives that included additional affordable housing construction. By not allowing additional housing, the Strategy will produce results in longer commutes, increases traffic congestion, degradation of

¹ “Technology Works: High-Tech Employment and Wages in the United States” Technology Works: Hi-Tech Employment and Wages in the United States, 2012, p. 5, available at <http://documents.bayareacouncil.org/TechReport.pdf>.

Also see “The New Geography of Jobs”, Enrico Moretti. First Mariner Books. 2013.

air quality, increased greenhouse gases, and causes other transportation-related environmental impacts.² As leading advocates for tech service workers, we are concerned that the Downtown Strategy 2040 will not create enough housing that is affordable to the thousands of additional low-wage service workers in jobs working on-site or indirectly with new commercial office operation in Downtown San Jose, thereby undermining the plan's goal of limiting vehicle miles traveled. Low-wage workers like tech service workers are more likely to travel longer distances because of the housing affordability crisis spreading across Silicon Valley.³ Within the potential Google Village alone, our partners in Silicon Valley Rising estimate the potential for an additional 8,000-10,000 service contract workers as food service workers, janitors, security officers and shuttle bus drivers alone if the development's operation mimic those in Google's Mountain View operations. Low wage service workers are also increasingly being displaced to other cities in Northern California further away from San Jose and accessible regional transit options, likely leading those who continue working in the region to need to spend extra time in cars on the road. Our partners in Silicon Valley Rising surveyed tech service workers and found a majority of those surveyed have families with children.⁴ A study by UC Santa Cruz's Everett Program researchers on contracted workers in Silicon Valley found that 22% of Silicon Valley's contract industry workers live in households with multiple unrelated families because of the lack of affordable housing.⁵ We estimated in a 2016 report that the majority of tech's blue collar workers were Black or Latino^{6,7}, whereas tech's engineers and leadership are majority white and overwhelmingly male. Google's tech employees are 1% Black and 3% Hispanic.⁸

Also, despite commitments by the City of San Jose to address the Google Village within its own Environmental Review, it is troubling that this project not only references the Google Village 14 times, but that this proposal would add between 1.2 and 2.4 million square feet of commercial office space in the area where Google has continued to buy land (where currently 5 million square feet is envisioned). It is also troubling that the document addresses some of the development impacts of a potential Google project before the company has even submitted a development application and without providing mitigations for those impacts. This seems entirely inappropriate, and the City should consider leaving additions to Diridon Station Area office growth, and references to specific project-specific impacts of that office growth, to future project-level environmental reviews submitted through the project development process.

The best way to address the growth induced impacts is to create affordable housing that is carefully targeted toward the diverse mix of new workers in Downtown San Jose. Because of the insufficient efforts to add housing at the appropriate levels of income, and of the lack of attention to low-wage workers' potential impacts on transportation and traffic, the EIR fails to comply with CEQA's mandate to provide complete and accurate information, especially project-specific information, about foreseeable environmental impacts of the project.

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³ "The highly paid technical and business services workers who live in Silicon Valley have relatively short commute times, since they typically work nearby. It's middle- and lower-income workers — teachers and firefighters, security guards at tech campuses, waiters at restaurants — who have been priced out of the Peninsula and are spending much more time in traffic" <https://www.kqed.org/news/2016/04/07/in-search-of-cheaper-housing-silicon-valley-workers-face-long-commutes/>

⁴ In two surveys of cafeteria workers at Intel and Cisco conducted by UNITE HERE found that 53% and 70% of surveyed cafeteria workers had families with children. Survey conducted in January and October 2016 respectively.

⁵ See Silicon Valley Technology Industries Contract Workforce Assessment. Chris Benner and Kyle Neering. University of California Santa Cruz. March 29, 2016. Available at

<http://www.everettprogram.org/main/wpcontent/uploads/Contract-Workforce-Assessment.pdf>

⁶ See Tech's Invisible Workforce. A report by Working Partnerships USA and Silicon Valley Rising. March

⁷. Available at <http://www.wpusa.org/Publication/TechsInvisibleWorkforce.pdf>

⁸ <https://www.google.com/diversity/>

Our comments are as follows:

1. The EIR's discussion of Transportation/Traffic and its Transportation Impact Analysis (TIA)'s are incomplete without more clarity on the type and level of affordable housing.

The minimum affordable housing required of developers is 15% affordable units or in-lieu fees, following the City's standard affordable housing requirements. The city's BMR ordinance targets affordability levels at or below 120% of AMI for ownership units and at or below 80% AMI for rental units. For a number of years, Downtown Housing construction has been exempt from providing affordable units or fees to support construction of such units and it is unclear if such exemptions will continue. The Downtown High Rise exemption for Affordable Housing Impact Fees is not noted in the EIR. The plan does not stipulate which types of housing will receive affordable designation (rental or owned, micro-units or two bedrooms, on-site or off-site). The types of housing that receive affordable designation will impact tech service workers. Micro-units will not serve working families. Rentals are more likely to be obtainable than ownership units for low-wage workers, absent down-payment assistance.

The housing strategy is not likely to meet the housing needs of Downtown San Jose's thousands of low-wage service workers. The EIR does not provide a breakdown of the types of employment or income levels of workers projected in Downtown San Jose with the addition of 3 or 4.2 million square feet of office space in the Strategy or listed alternatives. Based on estimates from our Silicon Valley Rising partners, we estimate that Google Village alone may require between 8,000 and 10,000 subcontracted cafeteria workers, janitors, security guards, shuttle drivers, and other facilities workers based in Downtown San Jose.⁹ This estimate does not include other service workers providing the numerous other amenities or services, many made available by Google and other employers, such as massage therapists, hair stylists, laundry attendants, Uber/Lyft drivers, fitness instructors, gym attendants, etc., and other induced goods and service jobs created by tech's jobs multiplier. Without additional requirements to shape the types of housing created (ie. 2-3 bedroom units rather than micro units or co-living spaces) we predict that the housing will likely the family housing needs of low-income workers in Downtown San Jose.

We recommend creating an alternative within the EIR adding additional units of housing and providing for appropriate levels of affordability in new housing. None of the alternatives address the growth impacts of the project like the demand for additional housing created by adding office space. Today even many directly-employed tech workers are having trouble affording market-rate housing, therefore the plan could benefit from an alternative that adds additional housing and sets forth policy to set aside affordable units for low and moderate-income workers as well.¹⁰ Family size and situation of low-income tech workers will vary, including both single-earner and dual-earner households, and both large-family, and single-individual households. The mix of affordable unit allocations should reflect that diversity. An alternative housing strategy should include a provision to ensure that a percentage of each type of unit is set aside for low-income households, ideally with a better mix of family housing. We also strongly recommend adding a provision which gives first priority to households who work in San Jose or in communities at greatest risk of displacement when evaluating potential tenants for the area's affordable housing, in order to ensure increased trip internalization. These preferences are allowable under HUD rules if they do not have a discriminatory effect.

The EIR does not address induced employment growth caused by the tech's service sector multiplier. As previously mentioned, the tech industry creates approximately 4.3 goods and services jobs for each direct tech job. According to economist and multiplier expert Enrico Moretti: "With only a fraction of the jobs,

⁹ Our estimate is based on internal estimates provided by UNITE HERE Local 19, SEIU USWW, and Teamsters Local 853.

¹⁰ <https://www.theguardian.com/technology/2017/feb/27/silicon-aa-cost-of-living-crisis-has-american-highest-paid-feeling-poor>

the innovation sector generates a disproportionate number of additional local jobs and therefore profoundly shapes the local economy”. Moretti uses Apple in Cupertino as an example, “Incredibly, this means that the main effect of Apple on the region’s employment is on jobs outside of high tech.”²⁰ Studies of jobs multipliers distinguish between “tradable” and “non-tradable” sectors. Tech is in the “tradable” sector because it sells goods in regions other than where they are produced. According to the Bay Area Council Economic Institute Report, one new tech job creates approximately 4.3 jobs in local “non-tradable” sectors, meaning sectors whose goods or services are consumed in the same region as where they are produced. These 4.3 “non-tradable” jobs include localized services like restaurants, hotels, healthcare and personal service etc.¹¹ Moretti estimates that for every five jobs that are created, two will be for professional jobs such as doctors, nurses and lawyers, while three will be for unskilled occupations like restaurant and hotel workers or retail clerks etc. The DSEIR predicts that employment in the

Downtown areas allowable growth will increase from 11.2 million square feet currently to 14.2 million square feet in 2040 under proposed project conditions, an increase of 3 million square feet or roughly 10,000 jobs, with an alternative allowing even 1.2 million more square feet. If 70% of these employees are direct tech employees, then in the long term, tech’s multiplier effect will create 43,000 induced jobs in the nontradable sector. Of those 43,000 jobs, 25,800 will be non-professional, presumably low-wage jobs. Without access to local affordable housing, many of these 25,800 low-wage workers will have to drive long distances to serve tech workers in Downtown San Jose. We urge the City to consider the environmental impacts of these tens of thousands of potentially-induced low-wage jobs in terms of added vehicle miles traveled, air quality, noise, traffic and parking needs.

Draft EIR does not provide "project-specific" analysis CEQA, given that there are several decisions still to be made later about major project components, which could dramatically change the long-term and short-term environmental impacts to nearby land uses. Several decisions, including decisions about the size and scope of the Google Village, changes in height policies connected to the One Engine Inoperative policy, the design of the Diridon Station, the layout of transit lines, the use of Constructing Staging Areas for future transit projects, the management of construction related traffic, and other intended development proposals in the pipeline will shape many of the impacts identified in this report. For these reasons, this EIR should not be considered project-specific.

The transportation, parking and vehicle miles traveled estimates will be impacted by inadequacy of affordable housing. Traffic impacts could increase significantly if indirect and induced low wage workers added to the traffic and transit analysis. Any low-wage service workers shut out of Downtown San Jose housing, or who are able to continue to afford housing near other transit routes are likely to drive and to drive long distances. Low wage workers who do not live in San Jose are likely to have longer commutes than their median- to high-wage counterparts who are more likely to be able to afford market rate options in San Jose or closer to work. The bulk of the Strategy’s transportation strategy are likely to be moot for low-wage service workers without affordable housing on site. Many tech service workers live too far away to benefit from any potential transit improvements. The EIR does not state whether a Downtown San Jose employer’s TDM programs are required to address transportation impacts of subcontractors.

Alternatively, more affordable housing can increase transit use. The more that the housing produced is affordable and accessible to all Downtown San Jose workers, the more likely that they will choose to live in the project area, and to walk, bike or take transit to work (increasing internal trips). Increased housing affordability will increase motivation for Downtown San Jose workers of both low and moderate income levels to live where they work and to become riders of Downtown and Diridon Station transit services. Increasing trip internalization for Downtown’s low-wage workers will be better for the physical environment than the trip internalization of their tech employee counterparts because low-wage workers

¹¹ BACEI Report pg. 25

2. The Strategy does not take the necessary steps to address air and construction impacts.

The plan does not support the primary goals of the current Regional Air Quality Plan based on greenhouse gas emissions reduction 2040 targets¹²: The Downtown Strategy 2040's contribution to greenhouse gas emissions (GHG) and climate change for the 2040 timeframe is determined by the Bay Area Air Quality Management District to be "significant and unavoidable." The increase in Greenhouse Gas emissions are not likely to be mitigated by the proposed strategies in the city's plans for GHG reduction. The dramatic increase in VMT based on the increased development capacity downtown will lead to 167, 117 metric tons of CO₂ emissions.

The plan will lead to unmitigable air quality impacts that will have significant impacts on the nearby community and to new residents of the area¹³: The report cites that the full build-out of the Downtown Strategy 2040 would result in a significant increase in criteria pollutants in the Bay Area, contributing to existing violations of ozone standards. The criteria pollutants include increases in nitrogen oxides, carbon monoxide, fugitive dust, and particle materials 10 and 2.5. These pollutants are shown to cause excess cancer risk and increasing the hazard index for other health risks.

The plan will have significant impacts on nearby sensitive receptor sites that are likely to increase adverse health impacts¹⁴: As quoted Appendix B "Air Quality and GHG Analysis," the BAAQMD CEQA Air Quality Guidelines consider exposure of sensitive receptors to air pollutant levels that result in an unacceptable cancer risk or hazard, to be significant. Sensitive receptors, which include vulnerable population including children under 14, the elderly over 65, athletes, and people with cardiovascular and chronic respiratory diseases. The report notes that the downtown area includes many current proposed sites with high concentrations of sensitive receptors such as residents, schools, hospitals, daycare centers, or retirements homes. According to the summary of the report analysis of increased health risks, the DTS 2040 Plan would "permit and facilitate the development of new sensitive receptors, such as new homes, in locations near arterial and collector roadways, highways, and stationary sources of TAC emissions. Screening levels indicate that sensitive receptors within the DTS 2040 Plan Area would be exposed to levels of TACs and/or PM_{2.5} that could cause an unacceptable cancer risk or hazard near highways and stationary sources."

The proposed EIR is likely to result in significant construction particles being released as part of the increased housing and office development¹⁵. Though the construction period is noted in the report to be relatively short, based on announced development projects like the Google development, it appears that the Downtown area is likely to see sustained development and construction activity over the next 20 years. This construction activity, supercharged by the 25% increase in the commercial development capacity will lead to significant and unmitigable environmental impacts. The report notes that "emissions commonly associated with construction activities include fugitive dust from soil disturbance, fuel combustion from mobile heavy-duty diesel- and gasoline-powered equipment, portable auxiliary equipment, and worker commute trips. During construction, fugitive dust, the dominant source of respirable particulate matter (PM₁₀) and

¹² GREENHOUSE GAS EMISSIONS assessment, Pages 141-149

<http://www.sanjoseca.gov/DocumentCenter/View/79629>

¹³ AIR QUALITY assessment, Pages 51-71 <http://www.sanjoseca.gov/DocumentCenter/View/79629>

¹⁴ Existing Conditions, Air Quality Assessment, Pages 57-59

<http://www.sanjoseca.gov/DocumentCenter/View/79629>

¹⁵ Construction Emissions, Air Quality Assessment, Page 62

<http://www.sanjoseca.gov/DocumentCenter/View/79629>

fine particulate matter (PM2.5) emissions, is generated when wheels or blades disturb surface materials. Demolition and renovation of buildings can also generate fugitive PM10 and PM2.5 emissions. Uncontrolled dust from construction can become a nuisance and potential health hazard to those living and working nearby.” The report also notes the traffic generated by diesel-powered of most construction equipment can result in substantial nitrogen oxide (NOX), Particle Material 10 (PM10) and Particle Material 2.5 (PM2.5) emissions. Moreover, these environmental effects are exacerbated by the commutes of construction workers and the building coatings that are sources of Reactive Organic Gases (ROG) emissions. Worker commute trips and architectural coatings are dominant sources of reactive organic gases (ROG) emissions.

3. The Strategy does not address the RHNA mandated by the state’s housing element law

California’s housing element law requires local governments to consider projected housing needs by income level to guide planning decisions. The Association of Bay Area Governments (ABAG) identified the following housing needs: 20,843 affordable housing units in San Jose (2014-2022). 59.4% of the housing needs identified by ABAG’s Regional Housing Needs Assessment (RHNA) in San Jose are for affordable units (9,233 very-low income units, 5,428 low-income units, 6,188 moderate-income units).¹⁶ The City of San Jose’s affordable housing efforts and the plan within the Strategy differs significantly from the distribution of housing needs identified by ABAG. The plan does not appear to help advance RHNA’s affordable housing needs outright (only requiring 15% percent inclusionary policy or in-lieu fees, and as noted earlier ignoring San Jose’s Affordable Housing exemption for Downtown High Rise construction). An alternative that included plans to add significant amounts of affordable housing to meet San Jose’s RHNA would add additional clarity to the Strategy.

We hope the City will take the time to address the issues raised here and improve the Strategy and its EIR so that it addresses the needs all of local workers on tech campuses and thereby better mitigates its environmental impacts.

Sincerely,

Jeffrey Buchanan

Director of Public Policy
Working Partnerships USA

¹⁶ ABAG Final Regional Housing Need Plan, San Francisco Bay Area 2014-2022
[https://abag.ca.gov/planning/housingneeds/pdfs/Final%20RHNA%20\(2014-2022\).pdf](https://abag.ca.gov/planning/housingneeds/pdfs/Final%20RHNA%20(2014-2022).pdf)